

FY/07 BUDGET SYNOPSIS

The FY/07 Mayor's Proposed Budget is a consensus budget incorporating the Administration's and Council's priorities and commitments made in the 2005 election as well as necessary General Fund investments. Council staff collected Councilor requests and provided the information to the Administration in early March. That list was incorporated into the budget preparation process.

As with previous years, significant projects and budget expansions are linked to a one-year objective to assure public accountability. Council requests that could be met at no or low cost were included in the one-year objectives legislation that has already been adopted by the City Council. An additional one-year objectives resolution is transmitted with the General Fund appropriations resolutions to tie new and expanded programs funded in the budget with an objective to assure accountability.

The Five-Year Forecast

The Five-Year Forecast prepared in December 2005 estimated future revenues and expenditures for the General Fund and the subsidized funds for the present fiscal year, FY/06, and for FY/07 through FY/10.

The Five-Year Forecast projected the General Fund unreserved fund balance for the current fiscal year would be positive at \$15.7 million (plus \$1.35 million in a FY/06 special reserve set aside by the City Council for FY/06 needs; \$617 thousand for the IRB settlement balance; \$3.46 million of Public Safety Quarter Cent funds for corrections central processing). It also estimated that recurring revenues would exceed recurring expenses by \$4.55 million. Much of this was due to an unanticipated improvement in revenues in FY/06. In FY/07 the gap between General Fund recurring revenues and expenditures was projected to swing to a negative \$4.57 million, producing an unreserved fund balance of negative \$15.66 million.

The \$15.66 million FY/07 projected gap had nine major causes. First, gross receipts tax revenues (GRT) were assumed to grow modestly at 2.3% in FY/07, although an adjustment adding \$9.9 million to recurring and \$1.5 million to nonrecurring revenue was made for FY/06. Secondly, on the expenditure side, the Five-Year Forecast included the compensation packages negotiated with the various unions during FY/05 and FY/06, but no raises for FY/07. However, the cost of wages increased by \$7.8 million from various sources including: the

annualized costs for fire rescue 20; the APD cadet expansion class; the annualized cost of CIP coming on line; initiatives funded for a partial year in FY/06; and, some salary creep as positions are vacated and filled during the year. Third, a 12% health insurance cost increase added an additional \$3.18 million to employee benefits costs. Fourth, the increased cost of fuel and natural gas added \$1.78 million to General Fund department budgets, and increased the GF transfer to the Gas Tax Road Fund, Transit, Parking and Open Space. Fifth, CIP coming-on-line was estimated to increase the budget by \$6.48 million. Legislative change was the sixth cause. The passage of the campaign finance package by voters in October accounted for an implementation cost increase of \$250 thousand and legislation on the Basic Services Transfer specified an increase of \$1.61 million above the approved FY/06 budget. The seventh category groups the increased amount of transfers required. The General Fund transfer to Parking was \$1.28 million higher largely due to the scheduled debt service, the transfer to Transit was \$949 thousand higher due to fuel and maintenance costs. Workers Compensation costs increased 6% and Tort and Other increased 5%, for a total increase of \$911 thousand. The eighth cause was the assumption that the City would continue to fund 50% of basic Metropolitan Detention Center (MDC) operating costs. Ninth and finally, the vacancy rate assumed for budgeting purposes (salary savings) was reduced to 0.5% for all departments and funds.

Closing the Gap

Departments were asked to identify cuts or savings equal to 5% of their General Fund budget. The results were discouraging. Efficiency gains were limited without additional investment. Departments were asked to examine the array of services currently provided that: could be reduced or eliminated including those not required by law; provided to other governments or districts that do not pay for themselves; provided to private non-profit and foundation partners in excess of the original agreement; and, those with low use or customer satisfaction. Possible revenue sources to support operations were allowed to reach the 5% cut target, but tax increases would not be considered. Useful proposals were extremely limited and few of the suggested cuts are included in the proposed budget.

The General Fund budget instructions disallowed positive issue papers. CIP coming-on-line was limited to only those projects included in the Five-Year Forecast. Neutral issue papers were allowed with the positive portion of the neutral issue paper linked to a one-year objective. Public Safety Tax issue papers were accepted. Departments were notified that the MDC would be transitioned to Bernalillo County.

The \$15.66 million shortfall projected in the FY/07 budget was largely closed by an unanticipated increase in General Fund revenue. Between the Five-Year Forecast and the proposed budget, recurring revenue projections increased \$4.74 million in FY/06 and \$8.03 million in FY/07. Nonrecurring FY/07 revenue increased \$2.58 million.

Another significant change was with respect to the MDC. Additional capacity that is used to support 4.5% compensation increases for sworn police officers and firefighters as well as 3.5% increases for all other permanent City employees was gained by reducing the subsidy to Bernalillo County to support the first year of operations of the MDC which will transfer to County operations on July 1, 2006. The County

was notified of the transfer in April 2005. In March 2006 the courts upheld the City's right to terminate the operating agreement, thus recognizing the County's responsibility to provide jail services under State statute. Although not required by statute, the proposed budget will transfer \$8.6 million to the County to subsidize MDC and pay for the accrued sick and vacation leave of employees transferring to County employment, at an estimated cost of \$2.5 million. The total proposed transfer is \$12.4 million less than anticipated in the Five-Year Forecast.

Although the Five-Year Forecast had ambitiously reduced the salary savings rate to 0.5%, analysis of actual data from February 6, 2006 revealed a General Fund vacancy rate of 8.51%, well above the FY/06 budgeted salary savings rate of up to 3.5% in some departments. The proposed FY/07 General Fund budget retains the FY/06 salary savings rate of 3.5% for all departments except Mayor, Chief Administrative Officer, Council Services, and Internal Audit which remain at 0.5% and Fire, Police, Senior Affairs and Human Resources that are set at 1.0%. The increase in the salary savings rate reduced the gap by approximately \$3 million.

The cost of CIP coming-on-line was dramatically reduced from the \$6.48 million level projected in the Five-Year Forecast to \$5.21 million, creating approximately \$1.3 million in savings.

In summary, added revenues from FY/06 and FY/07 were nearly sufficient to close the \$15.6 million projected shortfall. Reducing the subsidy to Bernalillo County associated with the transition of the MDC provided sufficient resources to support an employee compensation package. Further reductions in vacancy savings and CIP coming-on-line as well as a reduction in necessary transfers to other funds provided a financial basis for select program expansions and initiatives requested by City Council and the Administration.

Revenue and Expenditure Aggregates

The proposed FY/07 budget is built on the assumption that total revenue will increase 6.74% over the FY/06 approved budget level. This growth in revenue supports the total growth of expenditures in the proposed budget of 5.98% above the original budget level for FY/06. The estimated FY/07 revenue of \$450.89 million is an increase of 2.8% or \$12.29 million above the FY/06 estimated actual revenue level. Of the \$12.29 million increase, \$11 million is attributable to Gross Receipts Tax (GRT) revenue increases.

Some of the projected increase in FY/07 expenditures is supported by additional FY/06 fund balance that will be carried forward and

appropriated on a nonrecurring basis in the proposed FY/07 budget. The available fund balance projected for the close of FY/06 is fueled by the additional \$16.17 million of revenue anticipated above the original FY/06 budget level. FY/06 appropriations were increased in the FY/05 year end clean-up resolution and other interim resolutions. Those additional appropriations are reflected in the tables presented in this proposed budget.

Total recurring revenue exceeds recurring appropriations by \$6.94 million in FY/07 with recurring revenue growing at 6.49% and recurring expenditures increasing at 4.81%.

FY/07 Summary of Revenue and Appropriations (\$000's)								
(\$000's)	ORIGINAL BUDGET FY/06	ESTIMATED ACTUAL FY/06	CHANGE	% CHANGE	PROPOSED BUDGET FY/07	CHANGE EST FY/06 & FY/07	% CHANGE	CHANGE ORIGINAL FY/06 & FY/07
REVENUE:								
Recurring	414,176	427,985	13,809	3.33%	441,050	13,065	3.05%	6.49%
TOTAL	422,425	438,597	16,172	3.83%	450,888	12,291	2.80%	6.74%
EXPEND/APPROPS:								
Recurring	414,169	413,706	(463)	-0.11%	434,110	20,404	4.93%	4.81%
TOTAL	446,507	453,094	6,587	1.48%	473,230	20,136	4.44%	5.98%
Recurring Balance	7	14,279			6,940			

Significant Spending Initiatives

Issue paper requests totaled \$46.9 million for new and expanded programs in FY/07. The proposed budget increases total expenditures \$20.14 million or 4.44% above the current FY/06 estimated actual expenditure level. Expenditure expansions are sorted and presented by category: technical adjustments, adopted issue papers, compensation, Public Safety Quarter Cent Tax programs, and CIP coming-on-line.

Technical Adjustments. The incremental cost of technical adjustments made in the proposed budget account for a decrease in cost of \$52.34 million. This unusual result was caused by two major factors. First, all Public Safety Quarter Cent Tax appropriations, both the recurring and nonrecurring portions, are removed from the FY/06 base so that they can be separately identified in FY/07 appropriations. Second, the FY/06 transfer to the Corrections Fund was removed reflecting the transition of MDC operations to Bernalillo County. It should be noted that a subsidy to support operations during this transition is included in Adopted Issue Papers and Initiatives below. Major elements contained in technical adjustments are listed in the table below.

Total Technical Adjustments (\$000's)	
TOTAL	(52,341)
Additions to FY/06 Base from Wages, Benefits, Positions and Annualized FY/06 Programs	8,334
Back out of Public Safety 1/4 Cent FY/06 Funding	(32,755)
GF Risk and Workers' Compensation	1,194
GF Debt Service and Lodgers' Tax Transfer	(377)
Storm Drainage Transfer	221
Transfer to Transit Operating Fund	(2,225)
Transfer to Corrections	(24,138)
Transfer to Open Space	(251)
Transfer to Parking	(571)
Transfer to Operating Grants	853
Transfer to Gas Tax Fund	(119)
Transfer to City/County Building Fund and Plaza Del Sol Fund	(106)
Operating Expense Adjustment for Utilities and Other	462
Fuel Cost Increase (GF Only)	1,595
Reduction in Convention Center Management Contract	(109)
FY/06 One-Time Capital and Other Costs	(4,259)
Net Other Adjustments	(90)

Adopted Issue Papers and Initiatives. Adopted General Fund issue papers were selected from \$18.25 million in requests made by departments. In addition, the FY/07 proposed consensus budget funds requests from the City Council and Administration. A total of \$38.57 million in General Fund adopted issue papers and initiatives is funded, including a wage adjustment. The list below identifies the issues and department funded as well as the total amount of the funding provided. Also included on the list are Transit positive issues funded in the Transit Fund.

Compensation. Compensation increases are possible in FY/07 mainly due to the capacity gained as MDC operations are assumed by Bernalillo County. The table below presents the impact of a 4.5% increase for sworn police officers and firefighters and a 3.5% increase for all other permanent city employees in the General Fund and General Fund subsidized budgets.

Total General Fund Adopted Issue Papers (\$000's)	
TOTAL	38,566
City Wide General Fund Wage Adjustments	10,022
CAO	
Independent Review Investigator	74
Establish Administrative Hearing Office	308
Regional Competitive Analysis of APD	100
Study of Intergovernmental Mutual Aid & Response Agreements	50
City Support	
Transfer to Capital Fund for Convention Center Escalators	309
Transfer to Capital Fund for Big I Landscape	2,000
Transfer to Capital Fund Recreation Trails	50
Expand Neighbor to Neighbor War on Weeds	100
Cultural	
Strategic Plan for Balloon Center	50
NM Symphony Orchestra	50
Reorganization of Balloon Museum	(462)
Special Events in Old Town Funding	200
E-Materials and Spanish Language for the Libraries	750
Develop Library Facilities & Technology Masterplan	50
Economic Development	
Funding from General Fund for FY/07 IRB Contracts	291
Operating Cost Adjustments	177
Environmental Health	
Support KYOTO accord	57
BDM Montessa Park Lab Phase I	164
Spay/Neuter Van Program	573
Animal Microchipping, Fairs and Education	353
Establish Adoption Centers at Coronado and Cottonwood Malls	1,199
Wildlife Biologist	66
Family	
Community Center Study	300
Taylor Ranch Community Center	110
Study of MultiGenerational Center	50
Increase Staffing for Westside Summertime Community Centers	200
Finance	
Adjust Accounting Maintenance and Auditing Contracts	53
ISD Staffing for APD Technology Plan	374
Transfer Capital Funding to City Support for Convention Center Escalators	(113)
Fire	
Reclassification of Commanders	(839)
MDC	
Subsidy for Transition of MDC to the County	11,429

Total General Fund Adopted Issue Papers (\$000's)	
Municipal Development	
Transfer of Solid Waste Security to DMD and Security Training	453
AAA All Star Game	125
Project Manager for Council Capital Set Aside	82
Mayor's Office	
Additional Funding for Community Outreach	29
Parks and Recreation	
Acquisition of ABQ Golf Training Facility	2,382
Park Maintenance of Medians	537
Maintenance of Dog Parks	169
Planning	
Expand On Call Planning Program	1,350
Expand Code/House Inspector Programs	298
Archeologist	100
Police	
Expansion of Red Light Program	704
Adjust funding for APD Overtime	957
Licensing and Maintenance for APD Technology Plan	376
Seniors	
Recognition/Special Events	100
Transit	
Net Effect of Expanded Transit Services for Westside, Downtown Trolley and other costs	2,809

It is believed that the Enterprise Funds can absorb this increase as a vacancy savings rate of 0.5% was budgeted in the proposed Enterprise Fund budgets and the vacancy rates for these funds averaged 9.53% in February 2006. The proposed cost of living adjustments are sufficient to exceed the forecasted inflation rate of 1.8% for FY/07. It should be noted that in FY/06 the increased compensation rate realized by most city employees was 3.2% while inflation is estimated at 3.6% for the same period. In FY/04 the City increased the percentage of health and dental insurance premiums it paid for employees from 80% to 83%. This was continued in FY/05 and FY/06 and is proposed to continue in FY/07. The combination of rising insurance premium costs and the City's policy of paying 83% of the premiums is the equivalent of about an additional 1.1% in total employee compensation.

Please note that the cost data presented in the table below is an estimate. The actual cost of a compensation increase will depend on the number of positions funded in the budget. This table was derived before the FY/07 proposed budget was complete, resulting in slight discrepancies in General Fund cost. Additionally, this information assumes a cost of living compensation package, although the actual compensation package will be negotiated with the bargaining units.

Proposed General Fund and General Fund Subsidized Funds Wage Adjustment w/Benefits					
Proposed Wage Adjustment		3.50%	4.50%	4.50%	
Fund	Fund Name	All Other Permanent Employees	Fire Series	Police Series	General Fund Impact
110	General Fund	4,771,450	2,091,608	3,125,131	9,988,189
282	Gas Tax Road Fund	108,438	-	-	108,438
290	City/County Building Fund	22,277	-	-	22,277
292	Plaza Del Sol Building Fund	11,449	-	-	11,449
641	Parking Facilities Fund	67,121	-	-	67,121
661	Transit Operating Fund	719,160	-	-	719,160
663	Transit Grants Fund	51,281	-	-	51,281
851	Open Space Operating Fund	61,063	-	-	61,063
TOTAL		5,812,240	2,091,608	3,125,131	11,028,979

Public Safety Quarter Cent Tax Programs. In October 2003, voters approved the Public Safety Quarter Cent Gross Receipts Tax. The legislation specified that 34% of the tax was to be used for APD projects, 6% for corrections and detention, 34% for emergency preparedness/AFD, and 26% for crime prevention and intervention. The list below details the General Fund appropriations totaling \$35.29 million.

It should be noted that the new prisoner transport service is funded in Police, but is supported by Corrections Quarter Cent Public Safety Tax funds. With MDC operations being assumed by Bernalillo County, APD is the logical place for a program to economically and efficiently transport arrestees to the MDC in lieu of individual officer transport as is the current practice. Also, the mental health intervention team is funded from the Family and Community Services Public Safety Quarter Cent Tax revenue to provide follow-up service for mental health crisis calls. After adjusting for these two items, Police and Fire enjoy equal Quarter Cent Public Safety Tax appropriations.

Total Quarter Cent Appropriations (\$000's)	
TOTAL	35,285
Family and Community Services	
FY/06 Recurring Costs	1,187
On Going Mental Health Services	1,855
On Going Substance Abuse Services	1,829
On Going Family Violence Prevention	1,121
On Going Gang Intervention	1,318
On Going Partnerships with Public Education	700
Mental Health Services - 2nd ACT Team	378
Assistance for Victims of Rape	100
Women's Resource Center	300
Men's Opportunity Center	250
Fire	
FY/06 Recurring Costs	5,150
Annualized Cost for Station 21 & HTR	35
Facilities Rehabilitation and Renovation	4,396
Equipment	1,224
Realignment of Funding for Effective Management	942
APS Partnership	200
Management, Reporting and Training Initiatives	264
Police	
FY/05 & FY/06 Expansion Class	6,720
Supplies/Equipment for Cadet Class	667
Vehicle Replacement	3,663
Equipment	1,161
Prisoner Transport	1,525
Mental Health Intervention Team	300

CIP Coming-On-Line. In the Five-Year Forecast OMB staff estimated CIP coming-on-line would require \$6.48 million. Departments requested \$4.48 million for CIP coming-on-line in FY/07. The proposed budget funds \$5.21 million. Funded CIP coming-on-line is detailed below:

General Fund CIP Coming-on-Line (\$000's)	
TOTAL	5,212
Cultural	
Japanese Garden Phase II	43
Asian Experience	262
Rio Grande Australian Exhibit	99
Insectarium	114
Elephant Bull Rearing	89
BioPark Renovation	110
Family	
Reopening of Community Centers	101
Finance	
ERP/E-Government	2,084
Municipal Development	
Street/Storm CIP Coming On Line	247
New Signal Installations	33
Maintenance of City Facilities	171
Construction of BMX Facility	600
Parks and Recreation	
Open Space Visitor Center Operation and Facility Maintenance	146
West Mesa Aquatic Center	244
Skate Park Maintenance and Operation	45
Extended Hours at Jerry Kline Tennis Complex	49
ABQ Golf Training Center Operation and Maintenance	251
New Park Acreage and Medians	368
Urban Forest Master Plan	156

Changes in Employment

Staffing levels in the combined proposed Enterprise and General Fund budgets are decreased by 253 FTE, or 4.47% below the level approved in the original FY/06 budget. Details of changes in the level of employment by department are discussed in the Department Budget Highlights section of this volume, and the schedule of Personnel Complement by Program is contained in the Appendix. The transfer of MDC operations account for the deletion of 483 positions. As can be seen from the table below, the General Fund adds 203 positions for a total increase of 4.93%. By category, 175 new positions are created in the Public Safety Quarter Cent Tax funded programs in Police and Fire to meet a variety of new demands, including an APD expansion class; CIP coming-on-line adds 45 positions to staff our growing Zoo, park system and implement e-government and a new core financial system; issue papers account for another 56 new positions; and, technical adjustments remove a net of 73 positions largely due to "backing-out" the Public Safety Quarter Cent Tax programs from the base FY/07 budget.

Changes in Employment										
	Actual FY/01	Actual FY/02	Original Budget FY/03	Original Budget FY/04	Original Budget FY/05	Original Budget FY/06	Estimated Actual FY/06	Proposed Budget FY/07	Change Original FY/06 Proposed FY/07	% Change Original FY/06 Proposed FY/07
General Fund	3,751	3,758	3,641	3,680	3,884	4,119	4,167	4,322	203	4.93%
Enterprise Funds	521	457	441	407	497	501	501	536	35	6.99%
Other Funds	768	767	742	709	733	727	727	248	-479	-65.89%
Grant Funds	367	404	331	329	314	317	326	305	-12	-3.79%
TOTAL	5,407	5,386	5,155	5,125	5,428	5,664	5,721	5,411	-253	-4.47%

The General Fund proposed budget can be examined by department. Comparing the original budget for FY/06 with the proposed for FY/07 reveals reorganizations and significant initiatives. The Chief Administrative Officer's budget is reduced by 44% primarily as a result of moving the City Clerk to the Legal department. The 37.58% increase in Environmental Health budget is the result of sufficiently funding our Animal Care Centers to enhance programs and become a "no kill" city by 2009. The increase of 17.16% in the Department of Finance and Administrative Services is explained by the implementation costs of two new Information Systems initiatives: a new core financial system for the City, and the Police interoperability system. The Legal Department's budget expansion of over 20% is due to the inclusion of the City Clerk's office. The Metropolitan Detention Center appropriation is reduced by 52.65% as a result of the County assuming full operational responsibility. Parks and Recreation will realize a growth of 25.95% to meet the needs of maintaining a growing park and dog park system, maintaining more medians and trails as well as acquiring and supporting new facilities including the Albuquerque Golf Training Center. Details can be found in the [Department Budget Highlights](#) section of this volume.

General Fund Spending by Department (\$000's)						
Expenditures by Department	Original Budget	Proposed Budget	%	%	% Share	
	FY/06	FY/07	Change	Change	FY/06	FY/07
Chief Administrative Officer	7,091	3,971	-3,120	-44.00%	1.59%	0.84%
City Support	20,321	23,199	2,878	14.16%	4.55%	4.90%
Council Services	2,105	2,489	384	18.24%	0.47%	0.53%
Cultural Services	33,859	34,998	1,139	3.36%	7.58%	7.40%
Economic Development		3,124	3,124		0.00%	0.66%
Environmental Health	9,697	13,341	3,644	37.58%	2.17%	2.82%
Family and Community Services	32,763	35,147	2,384	7.28%	7.34%	7.43%
Finance & Administrative Services	20,064	23,506	3,442	17.16%	4.49%	4.97%
Fire	62,984	66,498	3,514	5.58%	14.11%	14.05%
Human Resources	2,287	2,453	166	7.26%	0.51%	0.52%
Internal Audit and Investigations	1,203	1,234	31	2.58%	0.27%	0.26%
Legal	6,493	7,847	1,354	20.85%	1.45%	1.66%
Mayor	812	873	61	7.51%	0.18%	0.18%
Metropolitan Detention Center	24,138	11,429	-12,709	-52.65%	5.41%	2.42%
Municipal Development	42,474	44,834	2,360	5.56%	9.51%	9.47%
Parks & Recreation	20,087	25,300	5,213	25.95%	4.50%	5.35%
Planning	13,535	14,924	1,389	10.26%	3.03%	3.15%
Police	119,774	130,503	10,729	8.96%	26.82%	27.58%
Senior Affairs	4,889	5,045	156	3.19%	1.09%	1.07%
Transit (Operating Subsidy)	21,931	22,515	584	2.66%	4.91%	4.76%
TOTAL	446,507	473,230	26,723	5.98%	100.00%	100.00%

Reserves

The proposed budget contains \$48.61 million in reserves.

General Fund Reserves (\$000's)	
Total Reserves	48,613
1/12th Operating Reserve	39,423
Quarter Cent -- Centralized Processing	3,000
General Reserve	4,800
IRB Settlement	617
Campaign Finance Law	473
Special Reserve	300

The General Fund is required to maintain an operating reserve equal to one-twelfth of the total appropriation level as a matter of City policy. This standard is more conservative than the State's

standard as it includes transfers and nonrecurring appropriations, but does not include other reserves. The operating reserve is set at \$39.42 million in accordance with City policy.

The \$3 million Public Safety Quarter Cent Tax reserve for centralized processing is the net of additional revenue received to the fund from additional tax collections, less the cost of establishing and operating the arrestee transport program funded in the Police Department. The General Reserve of \$4.8 million was established by City Council in R-06-9. The resolution also established an energy reserve that is assumed to be spent out in FY/06. The balance of \$617 thousand is preserved in the IRB settlement reserve for future economic development appropriation. The IRB reserve was originally established in FY/04 when a large manufacturer closed an IRB financed facility and was required to remit a "clawback" to the City. Pursuant to the charter amendment passed by voters in October 2005, the Campaign Finance Law reserve is established to provide funding for candidates in the 2007 election. Finally, \$300 thousand in the Special Reserve is expected to carry forward to FY/07. In the FY/06 budget \$1.35 million was appropriated to this Special Reserve for specific projects.

FY/06 and Capital Appropriations

The proposed FY/07 budget contains a section making a few technical adjustments to the FY/06 budget.

- An additional General Fund appropriation is made from FEMA Katrina/Rita deployment reimbursement funds.
- An error is corrected by increasing the appropriation to the Safe City Strike Force and reducing the amount appropriated in Legal Services.
- Additional and prior year revenue is appropriated in the DWI Ordinance Enforcement and Federal Forfeitures programs.
- The SID/Federal Forfeitures appropriation is a technical adjustment necessary to comply with current Internal Audit and Accounting practices. In recent years expenditures have been recorded, but no appropriations have been made.
- An adjustment to the transfer to the Capital Acquisition Fund from the False Alarm Enforcement and Education Fund is made to comply with the False Alarm Ordinance. The transfer was delayed until FY/06 to maintain an adequate fund balance.
- Additional revenue received from the portion of the property tax dedicated to the General Obligation Bond program is appropriated to prepay outstanding debt.
- Lodger's Tax revenue is adequate to pay the required Lodger's Tax debt service and a General Fund subsidy is not required. A transfer from the Lodger's Tax Fund is made to meet the scheduled debt service payment. Excess balances in the Hospitality Fee Fund will be used to help pay for Convention Center escalator repairs.
- Finally, an additional transfer to the Capital Acquisition Fund is necessary. A grant payment received from the NM Energy, Minerals and Natural Resources Department for Petroglyph National Monument was erroneously deposited in the General Fund in FY/06.

A final section is added to the proposed FY/07 budget to appropriate in the Capital Acquisition Fund. Several capital appropriations are made in the proposed FY/07 budget in the form of a transfer to the Capital Acquisition Fund. The last section of the budget resolution follows through to appropriate to specific projects from the Capital Acquisition Fund.